

## **UNALLOCATED EXPENSE & REVENUE (090)**

## DEPARTMENT: Unallocated Expense (090)

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### DEPARTMENT DESCRIPTION

The Unallocated Expense budget records expenses that are not attributable to specific operating departments. Expense items include:

- The Contingency Account (a provision for unexpected expenditures which may arise during the year)
  - Reserve for Compensated Absences
  - The county's contribution to the Rochester-Genesee Regional Transportation Authority
  - Water Authority debt service (which is fully reimbursed by the Monroe County Water Authority)
  - County Debt Service expenses which are not distributed to departments
  - Insurances (the costs of which are distributed to operating departments through interdepartmental charges)
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### BUDGET SUMMARY

|  | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>   |                                    |                        |
| County General   | 2,208,342                          | 4,410,436              |
| Contributions to Other Funds   | 1,223,347                          | 705,305                |
| Contribution to RGRTA  | 3,524,160                          | 3,524,160              |
| Debt Service - Water Authority   | 4,418,480                          | 4,229,208              |
| Civic Center Garage  | 1,583,322                          | 1,390,225              |
| Debt Service-Medical Examiner/Lab Building                             | 318,820                            | 320,673                |
| Debt Service-Resource Recovery Facility                                | 596,510                            | 89,150                 |
| Debt Service-Greater Rochester Outdoor Sports Facility                 | 1,674,765                          | 1,677,688              |
| Insurances   | 8,556,400                          | 10,232,445             |
| <b>Total</b>   | <b>24,104,146</b>                  | <b>26,579,290</b>      |
| <b><u>Revenue</u></b>  |                                    |                        |
| Debt Redemption - Water Authority                                      | 4,418,480                          | 4,229,208              |
| Commissions, Civic Center Garage                                       | 5,900,000                          | 1,400,000              |
| Reimbursement for Expense-Greater Rochester<br>Outdoor Sports Facility | 1,674,765                          | 1,677,688              |
| Insurance Charges  | 8,556,400                          | 10,232,445             |
| Appropriated Fund Balance-Debt Service Reserve                         | 596,510                            | 89,150                 |
| <b>Total</b>   | <b>21,146,155</b>                  | <b>17,628,491</b>      |
| <b><u>Net County Support</u></b>                                       | <b>2,957,991</b>                   | <b>8,950,799</b>       |

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### BUDGET HIGHLIGHTS

*The 2003 Adopted Budget reflects amendments made by the County Legislature. These changes are described in the Legislative Action section of the Budget document.*

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: County General (9001 & 9097)**

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**DIVISION DESCRIPTION**

Several appropriations in the county budget are not allocated to particular departments. These appropriations include the Contingency Account, erroneous assessments, memberships by the county in certain organizations, the reserve for compensated absences, expenses associated with the issuance of certain bonds or notes, etc.

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**BUDGET SUMMARY**

|                                      | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--------------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>         |                                    |                        |
| Contingency Account                  | 281,500                            | 2,150,000              |
| Reserve for Compensated Absences     | 50,000                             | 50,000                 |
| Erroneous Assessments                | 700,000                            | 500,000                |
| Other Expenses                       | 1,176,842                          | 1,710,436              |
| <b>Total</b>                         | <b>2,208,342</b>                   | <b>4,410,436</b>       |
| <br><b><u>Net County Support</u></b> | <br><b>2,208,342</b>               | <br><b>4,410,436</b>   |

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**BUDGET HIGHLIGHTS**

*Variances in funding levels are referenced in the appropriations descriptions on the next page.*

**APPROPRIATIONS DESCRIPTIONS****2002****2003****Contingency Account****\$281,500****\$2,150,000**

The Contingency Account provides for unexpected expenses which may arise during the year. The account is established and administered in accordance with Article IV of the County Administrative Code. Expenditures against this account require approval by the County Legislature. Of the \$316,500 appropriated in the 2002 Adopted Budget, as of the end of August 2002, \$35,000 was transferred to other departments to be spent for purposes authorized by the Legislature. A balance of \$281,500 remains. Funding has been increased in 2003, reflecting an amendment made by the County Legislature.

**Reserve for Compensated Absences****\$50,000****\$50,000**

Union contracts provide for county employees to accumulate an aggregate of 80 days of compensated absences. A maximum of 40 days is allowed for unused vacation time, and for employees at pay group 16 and lower, a total of 40 days may be accumulated for unpaid overtime. Generally accepted accounting principles for government units require that a current portion of this liability be recognized.

**Erroneous Assessments****\$700,000****\$500,000**

Repayments of property tax that result from factual or recording errors or failures to comply with certain legal requirements are budgeted in this expense object along with successful challenges to assessments.

**Other Expenses****\$1,176,842****\$1,710,436**

This category includes expenses for memberships by the county in organizations, the costs associated with the issuance of bonds and notes, taxes and assessments paid on county-owned properties acquired after the taxable status date, the employee benefit parking program and debt service on County General borrowings.

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Contributions To Other Funds (9020)**

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**DIVISION DESCRIPTION**

The Facilities Management Division provides office space, building maintenance, and utilities to operating departments. Each building charges user departments for the above services based upon a percentage of space occupied by the users. Generally, revenues to the buildings from user departments do not support the entire cost of operating every building. Therefore, a contribution from the general fund is required to balance these Internal Service funds.

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**BUDGET SUMMARY**

|                                      | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--------------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>         |                                    |                        |
| Interfund Contributions:             |                                    |                        |
| County Office Building               | 136,141                            | 80,766                 |
| CityPlace                            | 347,228                            | 370,610                |
| Hall of Justice                      | 234,559                            | 112,614                |
| H/SS Building                        | 10,147                             | 50,000                 |
| Iola Building & Grounds              | 427,149                            | 48,881                 |
| Iola Powerhouse                      | 68,123                             | 42,434                 |
| <b>Total</b>                         | <b>1,223,347</b>                   | <b>705,305</b>         |
| <br><b><u>Revenue</u></b>            | <br><b>0</b>                       | <br><b>0</b>           |
| <br><b><u>Net County Support</u></b> | <br><b>1,223,347</b>               | <br><b>705,305</b>     |

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Contribution to the Rochester-Genesee Regional  
Transportation Authority (9025)**

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**DIVISION DESCRIPTION**

The county provides assistance to support the operating costs of the Authority's subsidiary, the Regional Transit Service. The level of county assistance is mandated under Article 2, Section 18-b of the New York State Transportation Law as the local match to operating assistance provided by the State of New York.

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**BUDGET SUMMARY**

|                                      | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--------------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>         |                                    |                        |
| Expenses                             | 3,524,160                          | 3,524,160              |
| <b>Total</b>                         | <b>3,524,160</b>                   | <b>3,524,160</b>       |
| <br><b><u>Revenue</u></b>            | <br><b>0</b>                       | <br><b>0</b>           |
| <br><b><u>Net County Support</u></b> | <br><b>3,524,160</b>               | <br><b>3,524,160</b>   |

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Debt Service-Water Authority (3597)**

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**DIVISION DESCRIPTION**

In 1969, the County Legislature agreed to issue \$27 million in bonds on behalf of the Monroe County Water Authority to finance construction projects. Since that time, the Water Authority annually submits project proposals to the county for inclusion in the Capital Improvement Program. The county has been able to borrow at interest rates lower than the Water Authority would have been able to obtain. The Water Authority repays the county the amount of debt principal and interest costs paid each year by the county on the Authority's behalf. This agreement helps reduce the cost of providing water treatment and distribution facilities in the county.

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**BUDGET SUMMARY**

|                                  | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|----------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>     |                                    |                        |
| Principal on Debt                | 3,184,715                          | 3,147,211              |
| Interest on Debt                 | 1,233,765                          | 1,081,997              |
| <b>Total</b>                     | <b>4,418,480</b>                   | <b>4,229,208</b>       |
| <b><u>Revenue</u></b>            |                                    |                        |
| Debt Redemption                  | 4,418,480                          | 4,229,208              |
| <b>Total</b>                     | <b>4,418,480</b>                   | <b>4,229,208</b>       |
| <b><u>Net County Support</u></b> | <b>0</b>                           | <b>0</b>               |

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Civic Center Garage - Debt Service (4597)**  
**DIVISION: Civic Center Garage O&M (Interfund Transfer) (9045)**

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### **SECTION DESCRIPTION**

This account provides funding for the maintenance and operation (including utilities) of the parking garage located within the Civic Center Complex. It also provides funding for debt service related to the construction and repair of the garage. The staffing and management of parking operations is provided through an agreement with a contractor.

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### **BUDGET SUMMARY**

|                                  | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|----------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>     |                                    |                        |
| Principal on Debt                | 203,938                            | 211,210                |
| Interest on Debt                 | 116,752                            | 107,364                |
| Interfund Transfers              | 1,262,632                          | 1,071,651              |
| <b>Total</b>                     | <b>1,583,322</b>                   | <b>1,390,225</b>       |
| <b><u>Revenue</u></b>            |                                    |                        |
| Civic Center Garage Commissions  | 5,900,000                          | 1,400,000              |
| <b>Total</b>                     | <b>5,900,000</b>                   | <b>1,400,000</b>       |
| <b><u>Net County Support</u></b> | <b>(4,316,678)</b>                 | <b>(9,775)</b>         |

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### **BUDGET HIGHLIGHTS**

***Interfund Transfers** reflects a decrease in interdepartmental charges to the Civic Center Complex, and a decrease in the net cost of operating the Civic Center Complex.*

*The 2002 **Revenue** reflects the anticipated restructuring and enhancements to the management agreement with the operator of the facility.*

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Debt Service - Medical Examiner/Lab Building (5897)**

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**DIVISION DESCRIPTION**

The Environmental Health Lab and Medical Examiner facility was completed in the fall of 1993. The Medical Examiner's Office is the focal point for the investigation, collection, analysis and dissemination of "medicolegal" information for Monroe County and several surrounding counties. The facility provides an improved level of support to meet the needs of physicians, other health care professionals, law enforcement officials, and family members of decedents.

Note: Revenues associated with the use of the facility by the Medical Examiner and the Environmental Health Lab are budgeted as Miscellaneous Revenue within Unallocated Revenue, Agency 090, Organization 9001 (County General).

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**BUDGET SUMMARY**

|                                      | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--------------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>         |                                    |                        |
| Principal on Debt                    | 224,115                            | 224,976                |
| Interest on Debt                     | 94,705                             | 95,697                 |
| <b>Total</b>                         | <b>318,820</b>                     | <b>320,673</b>         |
| <br><b><u>Revenue</u></b>            | <br><b>0</b>                       | <br><b>0</b>           |
| <br><b><u>Net County Support</u></b> | <br><b>318,820</b>                 | <br><b>320,673</b>     |

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Debt Service - Resource Recovery Facility (8297)**

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**DIVISION DESCRIPTION**

The Resource Recovery Facility has ceased operation and is no longer an active part of the county's solid waste management program. Debt service on the construction fund is included in a separate account as an unallocated expense rather than as a solid waste program expense because the facility is inactive. The county's auditor recommended this change in the audit of the 1992 financial statements.

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**BUDGET SUMMARY**

|  | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>                     |                                    |                        |
| Principal on Debt                                | 540,632                            | 56,611                 |
| Interest on Debt                                 | 55,878                             | 32,539                 |
| <b>Total</b>                                     | <b>596,510</b>                     | <b>89,150</b>          |
| <br><b><u>Revenue</u></b>                        |                                    |                        |
| Appropriated Fund Balance - Debt Service Reserve | 596,510                            | 89,150                 |
| <b>Total</b>                                     | <b>596,510</b>                     | <b>89,150</b>          |
| <br><b><u>Net County Support</u></b>             | <b>0</b>                           | <b>0</b>               |

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Debt Service - Greater Rochester Outdoor Sports Facility (1497)**

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**DIVISION DESCRIPTION**

The county has incurred debt service expenses for a share of the total cost of construction of the Frontier Field outdoor stadium used primarily by the Rochester Red Wings baseball team. The agreement with the non-profit organization, Rochester Community Baseball, Inc., provides for repayment of this cost from revenues generated by events at the facility. This debt service expense also includes the cost of the purchase of the former outdoor sports facility, Silver Stadium.

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**BUDGET SUMMARY**

|                                  | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|----------------------------------|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>     |                                    |                        |
| Principal on Debt                | 490,705                            | 525,054                |
| Interest on Debt                 | 1,184,060                          | 1,152,634              |
| <b>Total</b>                     | <b>1,674,765</b>                   | <b>1,677,688</b>       |
| <b><u>Revenue</u></b>            |                                    |                        |
| Reimbursement for Expense        | 1,674,765                          | 1,677,688              |
| <b>Total</b>                     | <b>1,674,765</b>                   | <b>1,677,688</b>       |
| <b><u>Net County Support</u></b> | <b>0</b>                           | <b>0</b>               |

**DEPARTMENT: Unallocated Expense (090)**  
**DIVISION: Insurances (9100)**

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**DIVISION DESCRIPTION**

The Insurances division serves as a cost center for the financial management of the county's four self-insurance programs: Workers' Compensation, Unemployment, Liability and Dental. These programs are part of a modified self-insured approach used by the county which combines direct payment of judgments and claims with the purchase of certain policies that afford coverage against extraordinarily high claims. The insurance budgets are composed of estimates for direct payments of claims, premiums for policies against "excess claims" and other specific types of liability coverage such as property damage, and administrative costs including professional service contracts. While there are no personnel directly assigned to this division, there is a charge from the Law Department for staff time required for the administration of insurance policies and the litigation of cases. The cost of maintaining the county's insurance programs is distributed to departments through interdepartmental charges.

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**BUDGET SUMMARY**

|   | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|---|------------------------------------|------------------------|
| <b><u>Appropriations</u></b>            |                                    |                        |
| Workers' Compensation                   | 3,864,640                          | 3,997,000              |
| Unemployment Insurance                  | 350,000                            | 1,368,750              |
| Liability Insurance                     | 1,535,188                          | 1,704,489              |
| Dental Insurance                        | 2,741,572                          | 3,097,206              |
| Risk Management Fund                    | 65,000                             | 65,000                 |
| <b>Total</b>                            | <b>8,556,400</b>                   | <b>10,232,445</b>      |
| <b><u>Revenue</u></b>                   |                                    |                        |
| Charges to Other Funds                  | 8,480,400                          | 10,156,445             |
| Participant Contribution to Dental Plan | 76,000                             | 76,000                 |
| <b>Total</b>                            | <b>8,556,400</b>                   | <b>10,232,445</b>      |
| <b><u>Net County Support</u></b>        | <b>0</b>                           | <b>0</b>               |

**SECTION DESCRIPTIONS****2002****2003****Workers' Compensation (9101)****\$3,864,640****\$3,997,000**

Monroe County is self-insured for routine compensation claims from county employees who have been injured on the job. In addition to the annual appropriation to cover the estimated expense for these claims, the county maintains an insurance policy to meet the expenses of extraordinary claims. The cost of the Workers' Compensation self-insurance program is charged to each department on the basis of the relative cost of claims which each department has experienced in the recent past.

**Unemployment Insurance (9105)****\$350,000****\$1,368,750**

In 1976, amendments to the Federal Unemployment Tax Act extended eligibility for unemployment compensation to government employees. The county has chosen to meet these costs by reimbursing the state for the actual costs for benefits paid to former employees rather than paying the state system a 4.4% premium on the first \$7,000 earned by each county employee. The costs of the unemployment benefit self-insurance program are charged back to each county activity based on its share of the total county payroll.

**Liability Insurance (9110)****\$1,535,188****\$1,704,489**

Monroe County is self-insured against routine general and vehicle liability claims, and it maintains an insurance policy which covers only extraordinary claims. This program is administered by the Law Department with the administrative costs charged back to the program. County departments are charged their share of the cost of the total liability program in proportion to their share of the total county payroll.

**Dental Insurance (9115)****\$2,741,572****\$3,097,206**

Since January 1980, all county employees are able to receive dental insurance coverage as a fringe benefit. In 1996, the maximum annual benefit was increased to \$1,000 per employee and each employee's dependents. This program is self-insured and the cost is charged to each county department as a cost per employee.

**Risk Management Fund (9120)****\$65,000****\$65,000**

The county maintains a risk management fund for payment of tort claims and judgments for which it is self insured. The budget reflects the estimated insurance premium expense.

**DEPARTMENT: Unallocated Revenue (090)**  
**DIVISION: County General (9001)**

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**DIVISION DESCRIPTION**

The Unallocated Revenue budget records revenues that are not attributable to specific operating departments. Unallocated revenues include the real property tax, sales tax, payments in lieu of taxes, interest earned on investments and other revenue sources unrelated to department operations.

In total, the Unallocated Revenues make up the "Net County Support" amounts which appear in the Budget Summary of each department.

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**BUDGET SUMMARY**

|                                      | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--------------------------------------|------------------------------------|------------------------|
| <b><u>Revenue</u></b>                |                                    |                        |
| Property Tax Penalties               | 4,500,000                          | 3,800,000              |
| Payments in Lieu of Tax              | 5,160,000                          | 4,800,000              |
| Sales Tax - County Share of First 3% | 49,438,714                         | 48,821,331             |
| Sales Tax - Additional 1%            | 67,847,070                         | 67,003,752             |
| Interest & Earnings - General Fund   | 4,890,000                          | 1,800,000              |
| OTB Distributed Earnings             | 1,150,000                          | 1,150,000              |
| Refund Prior Year Expense            | 3,063,224                          | 5,250,000              |
| MMIS Deposit Earnings                | 300,000                            | 100,000                |
| Miscellaneous Revenue                | 19,973,784                         | 7,451,577              |
| <b>General Revenue</b>               | <b>156,322,792</b>                 | <b>140,176,660</b>     |
| Real Property Tax                    | 235,500,000                        | 241,447,788            |
| <b>Total</b>                         | <b>391,822,792</b>                 | <b>381,624,448</b>     |

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**BUDGET HIGHLIGHTS**

*The 2003 Adopted Budget reflects amendments made by the County Legislature. These changes are described in the Legislative Action section of the Budget document.*

**REVENUE DESCRIPTIONS****2002****2003****Real Property Tax****\$235,500,000****\$241,447,788**

This is the tax levied on real estate owners for county purposes. In 2003 the levy increases based on an amendment made by the County Legislature.

See the Tax Analyses part of the budget for more information on the real property tax.

**Property Tax Penalties****\$4,500,000****\$3,800,000**

This represents the interest charges collected on overdue taxes as well as the interest, penalties and other charges attached to the original tax amount at the tax sale date (precedent to tax foreclosure action).

**Payments in Lieu of Tax****\$5,160,000****\$4,800,000**

The county receives designated payments, instead of taxes, from two major sources; Urban Development Corporation (UDC) subsidized housing projects and County of Monroe Industrial Development Agency (COMIDA) contract agreements. Payments in lieu of taxes serve as an incentive for industrial development and special types of residential construction. The payments change from year to year with the number of COMIDA contracts and the aging of existing contracts for which higher payments are required.

**Sales Tax - County Share of First Three Cents (3%)****\$49,438,714****\$48,821,331**

Of the 8% sales tax levied in Monroe County, 4% is levied by the state and 4% is levied by the county. (The county rate was 3% until September 1992, see below.) Of the county levy, the first 3% is allocated through a complex formula among the county, the City of Rochester, the towns, the villages and the suburban school districts within the county. The "First 3%" revenue item displayed here represents the portion of the 3% component that is allocated to the county government. The total amount of sales tax collection from the "First 3%" to be received is projected at \$277.7 million in 2003, an increase of approximately 1.5% above the revised estimated receipts for 2002. Based on the application of the Morin/Ryan sales tax distribution formula, the county will receive approximately 17.6% of total collections in 2003 or \$48.8 million.

See the Tax Analyses part of the budget for more information on the sales tax.

**Sales Tax - Additional One Cent (1%)****\$67,847,070****\$67,003,752**

Effective September 1, 1992 the county, as authorized by state law, increased the sales tax rate in Monroe County from 7% to 7.5%. An additional .5% was authorized effective March 1, 1993, bringing the rate increase to a full 1%. Under the current law, authorization for this 1% increase will end on November 30, 2002. Under this provision, after distributing 9.25% of the additional one cent to suburban school districts, towns and villages, the remaining balance will be divided between the City of Rochester and the county so that when added to the "first three cents" tax, the total share (4%) for the city and county will be equal. The total amount of sales tax collections from the 1% component to be received is projected at \$92.4 million in 2003, an increase of approximately 1.5% above the revised estimate for 2002. Based on the application of the 1% distribution formula, the county will receive approximately 72.5% of total collections in 2003, or \$67.0 million.

See the Tax Analyses portion of the budget for more information on the sales tax.

**REVENUE DESCRIPTIONS-(continued)****2002****2003****Interest and Earnings - General Fund****\$4,890,000****\$1,800,000**

This is interest earned on the investment of funds received prior to the time they are needed to meet current operating expenses. Funds available for investment are provided by revenues such as the property tax and sales tax. The income from the temporary investment of funds is a function of both prevailing interest rates and the amount of cash available for investment.

**OTB Distributed Earnings****\$1,150,000****\$1,150,000**

The Western Regional Off-Track Betting Corporation distributes 50% of its net revenues among participating counties on the basis of wagering originating in the respective counties. The remaining 50% is distributed based on population.

**Refund Prior Year Expense****\$3,063,224****\$5,250,000**

This generally results from the cancellation of expense liabilities from prior years. Examples include balances which become available when a prior year purchase order is canceled or when a reserve of prior year funds is liquidated. Also included are refunds from New York State for prior years claims for Social Services. Actual receipts from this revenue source can vary considerably from year to year.

**MMIS Deposit Earnings****\$300,000****\$100,000**

Under the Medicaid Management Information System (MMIS) the state withholds state and federal aid advances due the county to fund the local cost of the Medicaid program. Local money withheld by the state is deposited in an interest-bearing account and the interest is periodically remitted to the county.

**Miscellaneous Revenue****\$19,973,784****\$7,451,577**

This category includes revenue from rental of county property, commissions from minor sales not applicable to any specific department, revenue associated with the recovery of municipal tax refunds for erroneously assessed property and tobacco settlement residuals. Additional revenue will be realized from the disposition of selected surplus properties and from the receipt of deferred revenue and past due liens.

**DEPARTMENT: Unallocated Revenue (090)**  
**DIVISION: Debt Service Fund (9097)**

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**DIVISION DESCRIPTION**

This budget account was established to segregate the sources of unallocated revenue and appropriated fund balance that support the debt service fund.

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**BUDGET SUMMARY**

|  | <b>Amended<br/>Budget<br/>2002</b> | <b>Budget<br/>2003</b> |
|--|------------------------------------|------------------------|
| <b><u>Revenue</u></b>                          |                                    |                        |
| Earnings on Capital Funds                      | 1,600,000                          | 575,000                |
| Interest & Earnings on Reserve for Bonded Debt | 175,000                            | 85,000                 |
| <b>Total</b>                                   | <b>1,775,000</b>                   | <b>660,000</b>         |
| <b><u>Appropriated Fund Balance</u></b>        |                                    |                        |
| Appropriated Fund Balance-Debt Service Reserve | 830,000                            | 0                      |
| <b>Total</b>                                   | <b>830,000</b>                     | <b>0</b>               |

**NOTES:**

1. The total of the two revenues on this page plus the revenues listed below, which are displayed in other parts of the budget, equal the total of revenue to the debt service fund which is displayed in the "Fund Summary and Tax Levy Computation" page in the Financial Summary section of this budget document:
  - Unallocated Expense (090), Water Authority Debt Service (3597)
  - Unallocated Expense (090), Greater Rochester Outdoor Sports Facility (1497)
  - Parks (088), Debt Service (5000)
2. The total of the Appropriated Fund Balance on this page plus the Appropriated Fund Balance applied to the Resource Recovery Facility debt service which is displayed in Unallocated Expense (090) Debt Service - Resource Recovery Facility (8297) equals the total of the appropriated fund balance to the Debt Service Fund which is found on the "Fund Summary and Tax Levy Computation" page in the Financial Summary section of this budget document.

**REVENUE****2002****2003****Earnings On Capital Funds****\$1,600,000****\$575,000**

This represents interest earned on the investment of funds borrowed for capital projects. Borrowed funds are invested until they are needed to pay project costs. The income from the temporary investment of funds is a function of both prevailing interest rates and the amount of cash available for investment.

**Interest & Earnings on Reserve for Bonded Debt****\$175,000****\$85,000**

This represents interest earned on investment of Reserve for Bonded Debt balances.

**APPROPRIATED FUND BALANCE****Appropriated Fund Balance-Debt Service Reserve****\$830,000****\$0**

When funds borrowed for a capital project exceed the final project cost, the balance must be applied to retire debt service in the future. Accordingly, excess fund balance on closed capital projects is held in the debt service reserve for bonded debt and applied against ensuing years debt service until exhausted.